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## CLW Response to ICTI CARE's Statement

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After China Labor Watch (CLW) released its latest report “[The Other Side of Fairy Tales](#)”, which poor working conditions in five China-based toy factories producing for several top toy brands on November 20, 2015, ICTI CARE, an organization associated with the International Council of Toy Industries, published an [official statement](#) on December 4. The statement rejected CLW's conclusion, responding that “whilst we would agree that key challenges remain in China, we disagree with assertions that working conditions and labor standards have worsened. Our teams working on the ground in China see a different pattern of continued progress across the 1,100 factories we work with.” To support their counter-claim, ICTI listed the following evidence.

The first argument from ICTI is that the Chinese toy workers' average wage of Chinese toy workers has remained steady or even increases, stating that “Between 2012 and 2014 the average hourly rate at China-based factories certified in our program increased by 11%.” Nevertheless, this straightforward conclusion obviously neglects the effects of inflation and widespread minimum wage increase in China. Take as examples the two most toy-industry-intensive Chinese cities, Dongguan and Shenzhen. Based on CLW's research, from 2012 to 2014, the official minimum monthly wage in Dongguan City increased from 1,100 RMB (\$170) to 1,310 RMB (\$203), a 19% increase.<sup>[1]</sup> [W](#) In Shenzhen, the stipulated monthly minimum wage has risen from 1,500 RMB (\$232) to 1,808 RMB (\$280), a difference of 20%.<sup>[2]</sup> [W](#) According to these statistics, the 11% wage rise flaunted by ICTI is only about half of the increase of minimum wage standard. Conversely, this should be cause of increased concern for workers' conditions.

Second, ICTI claimed in the statement that “91% of ICTI CARE certified factories comply with, or exceed, the local minimum wage.” Here we have two points of disagreement. First, the concept of a “minimum wage” should not be confused with a “living wage”. In Chinese urban areas, the latter often far exceeds the former. Second, this claim actually exposes the darker side of the reality: **we can deduce that the other 9% ICTI CARE certified factories did not even comply with the minimum wage standard.** Over a thousand Chinese toy factories are recorded in the ICTI database, so approximately 100 factories (9%) are operating this way. If each factory employs 500 workers, a conservative estimate, the number of workers suffering illegal sub-minimum wages total 50,000 people.

Third, the statement touts the ICTI worker's helpline. “We are proud of our helpline. Over the last five years, the helpline has received over 10,000 calls, supporting an average of 2,000 workers a year. ” However, according to our list of “Toy Factory Incidents in China since 1992” in Appendix B of [CLW's report](#) [W](#), from just 2011 to August 2015, the number of labor-related incidents that occurred in toy factories is 28 (5 occurred in 2011, 5 in 2012, 4 in 2013, 9 in 2014 and 5 up to August 2015), including fires, massive strikes due to unfair treatment or wage arrears, suicides or other abnormal deaths at work, and food and chemical poisoning. This list is incomplete as we only used official Chinese news stories. What's more, CLW's recent report exposes 29 labor abuses, 21 of which are legal violations, in five major toy factories. Based on the above information, any toy industry policies or programs to date have been insufficient to fundamentally resolve widespread labor abuse.

Finally, we scrutinized ICTI's own Code of Business Practices on working hours. The document requires that “working hours per week comply with the standards set by law, or, in the absence of law...there be one day of rest per week, in accordance with the C14 Weekly Rest (Industry) (1921) Convention of the International Labour Organization.” The Chinese version stated more clearly: total working hours per week should not exceed 66 hours.<sup>[3]</sup> [W](#) However, according to the CLW's report, long working hours and excessive overtime exist in all of the five implicated factories, as has been the case at the large majority of toy factories invested by CLW over the past 15 years. For example, at Mattel's factory in Foshan Nanhai, workers often do an 11-hour shift each day for six days a week. Their monthly overtime reaches 80 hours, more than double Chinese legal maximums for overtime hours.

ICTI's own standards were formulated by multinational toy companies and their suppliers. These do not represent the interests of workers. In the auditing process, without monitoring from independent NGOs, the appliance of this code of conduct lacks “transparency and accountability” promoted by ICTI.

[1] [W](#) Dongguan Social Security Network (东莞社保网), <http://dongguan.chashebao.com/wenti/13115.html>, Sep. 23, 2014

[2] [W](#) Shenzhen Dongguan Social Security Network (深圳社保网), <http://shenzhen.chashebao.com/wenti/13032.html>, Aug. 28, 2014

[3] [W](#) ICTI Code of Business Practices, “Part 2: Working Hours”, [http://www.icti-care.org/uploadfileMgnt/01\\_2014217122047.pdf](http://www.icti-care.org/uploadfileMgnt/01_2014217122047.pdf)

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